Losses in PSUs

1610. SHRI SURESH KALMADI: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government's attention has been drawn to the news-item published in the Economic Times, dated 21st November, 1998 captioned "public sector runs up losses of Rs. two lakh crore in 1985—97";

(b) if so, what is Government's reaction thereto; and

(c) what remedial meaures Government propose to take in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI SUKHBIR SINGH BADAL): (a) and (b) Yes, Sir. The methodology adopted for computation of losses, as indicated in the news item in Economic Times of 21.11.98, cannot be applied on PSEs, besides it being not an ordinarily accepted commerical practice. As per Public Enterprises Survey the total losses by loss making CPSUs during 1985—97 is Rs. 41133.45 crores.

(c) The steps taken for further improving performance of CPSUs are enterprise specific. However, some of the general steps taken include professionalisation of Board of management, periodic performance review, signing of MOUs, technology upgradation, organisational and capital restructuring, formation of joint ventures etc.

Guidelines followed by FIPB

1611. SHRI YERRA NARAYANASWAMY: Will the Minister of INDUSTRY be pleased to state:

(a) what is the role of FIPB in promoting entry of foreign capital;

(b) whether any guidelines exist to protect the non-core sector;

(c) the details of such guidelines;

(d) whether these guidelines have been amended recently; and

(e) if so, the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) to (e) The Foreign Investment Promotion Board, which is a high powered inter-ministerial committee has been set up with the objective of promoting inflow of foreign direct investment (FDI) into India—(i) by undertaking investment promotion activities; and (ii) through facilitating investment in the country by international companies, non-resident Indians (NRIs) and other foreign investors in projects which are considerd to be of benefit to the Indian economy but do not qualify for automatic approval by the Reserve Bank of India (RBI) and/ or are outside the parameters of the existing policy for clearance of investment proposals. The Board, inter-alia, ensures expeditious clearance of the foreign direct investment proposals; periodically reviews the implementation of FDI projects; undertakes review of a continuous basis of the general and sectoral policy regimes based on sectoral sensitivities relating to Foreign direct investment (FDI) in consultation with Administrative Ministries and other concerned agencies and evolves a set of transparent guidelines for facilitating foreign investment in various sectors.

A comprehensive set of guideline for the consideration of FDI proposals by the FIBP, which are already in place, provide for a time-bound, transparent and non-discriminatory approval procedure.

Review/update of these guidelines is a continuous process based on sectoral policies decided in consultation with the concerned Administrative Ministries.

Performance of PSUs

1612. SHRI ANANTA SETHI: Will the Minister of INDUSTRY be pleased to state: